

ESSENTIAL SOUTH FLORIDA

Here's what you need to know about buying a home this winter



The condo market is calming down after the frenzied years of the pandemic. The best news is that sellers are willing to negotiate. But inventory is still limited and interest rates remain high. This story by my colleague Amber Bonefont has lots of tips on how to approach our perpetually crazy real estate market during this snowbird season.

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Here's what snowbirds need to know about homebuying this season

By Amber Bonifant
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It's buying season for snowbirds, the time of year when out-of-state seasonal buyers flock to South Florida for their second home.

Picking up speed in January and lasting through the spring, these next few months are the optimal home shopping time for these buyers.

Here's what seasonal buyers need to know about the state of the condo market, projects in the works and whether they might have some advantages this season:

Are condo prices dropping?

Popular among many seasonal buyers for the ease of access and low maintenance, the condo market is seeing high demand and price growth.

"We don't see that changing anytime soon," said Harvey Hernandez, CEO of Newgard Development Group. "It depends on what happens with the economy in the second and third quarter, but for the next quarter, maybe even the next 120 days, inventory levels will continue to be low."

The typical home value for a condo in South Florida rose 24% over the past year to \$477,823, according to numbers from Zillow. It's unlikely that prices will drop for this season, despite the slight cooling in South Florida's overall housing market.

"Our pricing has not gone down, we have only increased pricing over the course of the project," said Todd Richardson, vice president of GroupP6 in Boca Raton, a luxury development group.

Interest rates have doubled over the past year, sending some buyers from the market. Still, low inventory remains one of the key issues facing seasonal buyers. And while inventory levels have crept up in the last few months, the number of available condos on the market still remain low as a balanced market is about six to seven months worth of inventory.

According to the latest available reports from Douglas Elliman, a real estate company, the number of months supply has increased across South Florida: in West Palm Beach, there is about 2.4 months' supply of condos on the market, a 84% jump from little over one month's supply a year ago.

For Fort Lauderdale, there is about 3 months supply of inventory, a 25% increase from the two months of supply a year ago. In Miami, there is little over 4 months supply, up 32% percent from the three months supply on the market a year ago.

Snowbird buying season is already off to a strong start according to Bonnie Heatzig, executive director of luxury sales at Douglas Elliman — she had a recent buyer pick up a property she listed after having it on the market for three days.

"Our snowbird selling season is in full swing and it's starting earlier this year," she said.

Will the cooling market offer any advantages?

This year's buying season is likely to be more on par with more normal years in the market, rather than the frenzied buying seen in 2021.

"Interest at the sales gallery [at Royal Palm Residences] has increased quite extensively over the last three to four weeks, but it's on par with a normal season market," Richardson said. "I don't expect it to get like the first few month of 2021."

A less frenzied market could mean slightly less competition amongst seasonal buyers.

"We are seeing things sit on the market a little bit longer, and we are seeing things swing in the buyer's favor," noted Noreen Payne with Lang Realty in Delray Beach. "Sellers are willing to have conversations."

According to numbers from the Miami Realtors Association, Palm Beach County's median time to contract was almost double what it was a year ago. Broward County's median time to contract was up 19% compared to the year before. Miami-Dade County's median time to contract decreased by about 3%.

"There are a lot of good deals for cash-buying snowbirds. They are really starting negotiations from a power position," said Whitney Dutton with the Dutton Group in Fort Lauderdale.

New developments, popular neighborhoods

South Florida offers a wide variety of options for the seasonal buyer, ranging from luxury condos to upscale country clubs to more affordable options a little farther outside of the downtown.

Popular snowbird neighborhoods abound. For those looking in the southern area of Palm Beach County, established areas like Royal Palm Yacht and Country Club offers proximity to the Boca Inlet and strong waterfront values. For those looking for a slightly more affordable option, the Boca Marina Yacht Club is also an option. St. Andrews County Club and Woodfield County Club in Boca Raton are also strong options for buyers looking for single-family homes and amenities.



Located in Brickell, Miami, the 44-story Lofty Brickell condominium complex has more than 360 units and offers flexible ownership, where the owner can live in a fully furnished unit part-time and rent it out when not in town. (LOFTY Brickell)

In Fort Lauderdale, Galt Ocean Mile offers numerous high rise condominiums with beachfront views. Palm Aire, a condo complex in Pompano Beach, also provides access to a golf course for those who love the links.

"What do you like to do? Do you want to do the beach in the morning? Or do you see yourself spending more time going shopping or golfing? That will lead you to where you want to be located," Dutton said. "Budget is also a big part of it. The further away you get from the ocean and downtown, the more affordable it will get."

And there are new projects in the works in South Florida that cater to what many seasonal buyers are looking for: a turnkey product that is ready to go.

- **LOFTY:** Located in Brickell, Miami, the 44-story condominium complex has more than 360 units and offers flexible ownership, where the owner can live in a fully furnished unit part-time and rent it out when not in town. The project has yet to break ground and is already 85-90% sold out. Prices for a one-bedroom condo start at \$800,000 with the penthouses going anywhere from \$1.5 to \$3.5 million.
- **Royal Palm Residences:** Consisting of three, nine-story towers with a total of 48 luxury condominiums, the project in Boca Raton is estimated to be finished in the summer of 2023. Each tower will consists 16 units, with condos ranging in size from 2,450 square feet to 3,700 square feet. Units are being sold for around \$3.5 million to \$4.5 million.

- **Alina:** Located at 200 SE Mizner Blvd next to the Boca Raton Golf Club, the luxury condominium complex added about 121 condos to the development in 2021. The next two phases of building are expected to bring about 180 more units by the end of 2024. Prices range from \$2 million to \$8 million.